



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY

NOTICE OF SALE OF STUMPAGE ON STATE LANDS IN THE FOLLOWING AREA:
CLOQUET AREA

STATUS: COMPLETED
REGULAR AUCTION - SALE #1
ORAL BID

Notice is hereby given that I offered for sale at public auction in Carlton, MN at 9:00 AM on Thursday, December 13, 2018, timber belonging to the State of Minnesota. All tracts were offered at the Carlton County Land Department Building in Carlton, MN.

All of the timber offered was SFI and FSC certified.

The following pages list the lands upon which the timber was located, the estimated quantities of timber offered, the appraised prices, and the bid prices.



The resource management of the Minnesota DNR's state forests and wildlife management areas meets the objectives of the SFI ® program (Certificate No. NSF-SFI-FM-6Y921) and the principles of the FSC ® certification standard (Certificate No. SCS-FM/COC-00088N).

FSC
100%



MINNESOTA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
REGULAR AUCTION
ORAL BID TIMBER SALE
CLOQUET AREA

9:00 AM on December 13, 2018
Carlton County Land Department Building in Carlton, MN

TERMS OF SALE

- This auction sale will be held according to Minnesota Statutes Sections 90.101 and 90.14. Timber shall be offered and sold by the same unit of measure as it was appraised. Sale shall be made to the responsible bidder who bids the highest price for all timber species advertised for bidding on each tract. Bidding above the appraised price shall be by increments of one (1) percent or more. The percent bid up will be added to the appraised price of each species indicated as a bid species by a plus symbol (+) on the Notice of Sale. Any or all bids may be rejected and sales canceled for good and sufficient reasons.

REGISTRATION AND ELIGIBLE BIDDERS

- Interested persons must be registered at least four (4) business days prior to the auction by submitting an *Annual Timber Sales Purchaser Registration* form. No bid will be accepted from anyone having a delinquent timber sale or trespass account or a willful timber trespass with any public agency in Minnesota, or from anyone who does not qualify as a Responsible Bidder as defined in Minnesota Statutes § 90.01 (12), or from anyone who has been debarred for cause by any public agency [M.S. § 90.041 (11)].

DOWN PAYMENT

- Purchasers of timber must pay a down payment of fifteen (15) percent of the appraised value of the timber at the time the purchaser's bid is approved. The down payment will be kept on deposit by the State and applied against any billings for timber. The purchaser may elect to have the down payment refunded if they post security for one hundred (100) percent of the bid price of the timber (see Security Required). If the purchaser does not sign the permit document within 45 days of sale, the down payment will forfeit to the State. A permit signature extension of 10 business days may be granted, provided the purchaser pays a \$200 penalty.

BID GUARANTEE

- For any bid increase in excess of \$10,000 of the appraised price, a bid guarantee equal to fifteen (15) percent of the total bid price of the timber less the down payment amount is required at the time the permit is signed. If the bid guarantee is not submitted with the signed permit, the permit cancels, and the down payment forfeits to the State. If the permit holder fails to execute an effective permit, the bid guarantee payment forfeits to the State.

PURCHASER AND LOGGER QUALIFICATIONS AND OPERATIONS REQUIREMENTS

- The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the general industry safety standards for logging (e.g., LogSafe) adopted by the Commissioner of Labor and Industry and provide proof of compliance with these standards. The purchaser or the purchaser's agents, employees, subcontractors, and assigns conducting logging operations on a timber permit must comply with the State of Minnesota mandatory insurance requirements before harvest operations begin. A *Certification of Compliance with the Minnesota Workers' Compensation Law* form must be submitted each year. Before the start of harvest operations, the purchaser must certify that a designated foreperson, who will be supervising active logging operations, has a current certificate of completion from a logger education program (e.g., MLEP or FISTA) approved by the Commissioner of Natural Resources.

SECURITY REQUIRED

- The purchaser must furnish security equal to the total bid value of the permit, LESS the amount paid as a down payment and bid guarantee. Security can be furnished in the following forms: Corporate surety bond, Letter of Credit, certified check, cashier's check, personal check, money order, or by signing a Cutting Block Payment Agreement for individual cutting blocks, at least one business day prior to the start of any permit operations. If the purchaser elects to receive a refund of the down payment and bid guarantee, they must furnish security in a form described above, for one hundred (100) percent of the total bid value of the timber purchased. If the deferred cash payment for cutting blocks is selected, the down payment and bid guarantee WILL NOT be refunded. If the purchaser elects to secure a permit by prepayment of cutting block(s), they must make a written request on a form provided by the state. No harvesting is permitted until proper security has been furnished to and approved by the Commissioner of Natural Resources or his agent.

PERMIT TERMS

- A permit to harvest and remove the timber from state lands will be issued to the purchaser. NO permit shall be issued to anyone other than the purchaser in whose name the bid was made. All timber purchased on the permit must be harvested prior to the permit expiration date. All permits provide for the continuous identification of timber from the time of cutting until delivery to the consumer. Failure to continuously identify the timber as specified in the permit shall constitute trespass. Also, please note all harvest specifications on each tract being sold. Only one Regular Extension is permitted for exceptional circumstances. An annual interest rate of 5 percent may be charged on a regular extension for the period of the extension.

UNSOLD TRACTS

- On the next regular business day (8:00 AM - 4:30 PM, Monday - Friday, except holidays) after the date of the auction sale, unsold tracts may be available for over-the-counter purchase at the appraised price for a period of no more than one year. Unless canceled for reoffer at an earlier date, unsold tracts will be available until December 13, 2019, at the following Area Headquarters: Cloquet Area.

TRACT B1 COUNTY: CARLTON AREA: CLOQUET AREA ACRES: 42.9
 Permit Number: B014092
 Expiration Date: 05/31/2022

Purchased By: Sappi Cloquet LLC
 Address: 20 N. 22nd Street, Cloquet, MN 55720

NENE,NENW,NWNE,NWSW,SWNE,SWNW of Section 16 - Township 48, Range 18W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID %: 0	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TREMBLING ASPEN	PULP & BOLTS	865.00	Cd	24.00	20,760.00	24.00	20,760.00
+ PAPER BIRCH	PULP & BOLTS	135.00	Cd	13.25	1,788.75	13.25	1,788.75
+ MAPLE SPECIES	PULP & BOLTS	130.00	Cd	14.00	1,820.00	14.00	1,820.00
BALSAM FIR	PULP & BOLTS	90.00	Cd	19.25	1,732.50	19.25	1,732.50
BASSWOOD	PULP & BOLTS	75.00	Cd	10.15	761.25	10.15	761.25
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$26,862.50	BID TOTAL = \$	26,862.50
				ADVANCE PAYMENT =	\$4,029.38		

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 795.00 Tons 1.00 795.00

Mixed Species Description:

Maple Species Pulp & Bolts includes: Red Maple 85%; Sugar Maple 15%.

Mixed Product Description:

Balsam Fir Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.
 Basswood Pulp & Bolts includes: Bolts 45%; Pulpwood 55%.
 Maple Species Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.
 Paper Birch Pulp & Bolts includes: Bolts 25%; Pulpwood 75%.
 Trembling Aspen Pulp & Bolts includes: Bolts 35%; Pulpwood 65%.

Season of Operations:

- Conduct sale operations on frozen or very dry soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across State land. Best access to northern stand is by existing 2-track trail on private land.
 - Permission to cross private land must be obtained by permittee.

Marketing Conditions:

Take extra precaution to not damage red oak trees that Wildlife Division has flagged in orange that do not interfere with harvest operations.

Digital map or GPS shapefile of the permit area is available upon request for use as a general reference.

Price adjustment decrease due to work needed on existing steep trail with tight corner. Operational constraint due to sale most likely needing frozen ground over the majority of the harvest area.

Appraiser: Josh Muchow 218-878-5647

Price Adjustments:

Road Construction Costs: -10%
 Haul Distance to Nearest Mill: +10%
 Stand Density: +10%
 Operational Constraints: -10%
 Other Price Factor: 0%

Appraiser:

Joshua C. Muchow

(Appraisal ID 14226-0; Cutting Block ID 16507-0)

TRACT B2

COUNTY: ST. LOUIS

AREA: CLOQUET AREA

ACRES: 98.5

Permit Number: B014093
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

GL01 of Section 25; GL02 of Section 24 - Township 52, Range 16W.
GL07 of Section 19 - Township 52, Range 15W.
NENE of Section 35 - Township 52, Range 16W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ ASPEN SPECIES	PULPWOOD	780.00	Cd	11.99	9,352.20	11.99	9,352.20
+ MAPLE SPECIES	PULPWOOD	165.00	Cd	6.00	990.00	6.00	990.00
BALSAM FIR	PULPWOOD	135.00	Cd	8.50	1,147.50	8.50	1,147.50
MIXED SPRUCE	PULP & BOLTS	80.00	Cd	12.68	1,014.40	12.68	1,014.40
ASH	PULP & BOLTS	50.00	Cd	4.90	245.00	4.90	245.00
PAPER BIRCH	PULPWOOD	50.00	Cd	5.50	275.00	5.50	275.00

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$13,024.10 BID TOTAL = \$ 13,024.10
ADVANCE PAYMENT = \$1,953.62

Mixed Species Description:

Aspen Species Pulpwood includes: Balm of Gilead 1%; Largetooth Aspen 6%; Trembling Aspen 93%.
Maple Species Pulpwood includes: Red Maple 84%; Sugar Maple 16%.
Mixed Spruce Pulp & Bolts includes: Black Spruce 2%; White Spruce 98%.

Mixed Product Description:

Ash Pulp & Bolts includes: Bolts 10%; Pulpwood 90%.
Mixed Spruce Pulp & Bolts includes: Bolts 53%; Pulpwood 47%.

Cutting and Felling:

- Multiple cutting block sale, see individual cutting blocks for specifications (Cutting Blocks 1, 2, and 3).

Season of Operations:

- Conduct sale operations on dry / froze soil conditions only, except with written permission from State (Cutting Block 1).
- Conduct sale operations on frozen soil conditions only, except with written permission from State (Cutting Blocks 2 and 3).
- Access is across county land (Cutting Blocks 2 and 3).

Slash Disposal:

- Biomass harvest is not allowed on this permit (Cutting Blocks 1, 2, and 3).

Landings Roads and Trails:

- Road right of way crossing approval from township may be required (Cutting Block 1).

Sale Conditions:

- Access is across county land (Cutting Blocks 2 and 3).
- Access is across state land (Cutting Block 1).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Blocks 1 and 3).

Marketing Conditions:

Aspen averages 9 inch dbh and 2-4 sticks in height, Balsam Fir averages 8 inch dbh and 1-4 sticks, Mixed Spruce averages 10 inch dbh and 4 sticks. The other Hardwoods average 7 inch dbh and 2 sticks. Price adjusted due to poor quality. This sale is in the Ash Quarantine area contact MN Department of Agriculture for additional information.
James Kelley Phone# 218-723-4791-ext223

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: +10%
Stand Density: -10%
Operational Constraints: -10%
Other Price Factor: -40% (Poor quality)

Appraiser:

James G. Kelley

(Appraisal ID 13479-0; Cutting Block ID 15839-0, 15821-0, 15773-0)

TRACT B3

COUNTY: ST. LOUIS

AREA: CLOQUET AREA

ACRES: 156.0

Permit Number: B014094
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

NENE, NESE, NESW, NWNE, NWSE, NWSW, SENE, SENW, SWNE, SWNW of Section 36 - Township 53, Range 19W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ TAMARACK	PULP & BOLTS	3,240.00	Cd	2.56	8,294.40	2.56	8,294.40
ASH	PULPWOOD	100.00	Cd	3.15	315.00	3.15	315.00
BLACK SPRUCE	PULPWOOD	35.00	Cd	6.65	232.75	6.65	232.75

+ BID SPECIES * SOLD ON APPRAISED VOLUME

APPRAISED TOTAL = \$8,842.15 BID TOTAL = \$ 8,842.15
ADVANCE PAYMENT = \$1,326.32

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES BIOMASS 1,920.00 Tons 0.35 672.00

SOAV Option:

Sold on Appraised Volume (SOAV) option is available. If elected, Permittee must sign option agreement on date of permit purchase.

Mixed Product Description:

Tamarack Pulp & Bolts includes: Bolts 22%; Pulpwood 78%.

Season of Operations:

- Conduct felling, skidding and hauling on frozen soil conditions only, except with written permission from State.

Sale Conditions:

- Access is across state land.

Marketing Conditions:

Permit is located 2 miles east and 2 miles south of Meadowlands, MN off of County Rd 47 - Agnew Rd. Stand has an active larch beetle infestation which has been causing a slow decline and death in the stand. Prices have been reduced 65 percent as 43 percent of this stand has been appraised as standing dead in April 2018. Due to tamaracks rot resistant qualities the wood has remained and may remain merchantable for some time. The winter access route has already been dozed into the landing. An easement for this portion of the Alborn snowmobile trail is owned by the State so the proposed access route off County Rd 47 (Agnew Rd) is across State land.

4 year sale length due to winter frozen ground access and operation in a lowland tamarack swamp forest.

Bolt percentage is estimated at 22% with some saw-timber also present in this mature stand.

This permit has been cruised in April 2018 to allow for SOAV option.

Digital map or GPS shapefile of the permit area is available upon request to permit holder for use as a general reference.

At the time of purchase this permit is not within the MDA Ash Quarantine Area.

Appraiser Wes Habedank Floodwood Field Station 218-476-7022

Price Adjustments:

Road Construction Costs: 0%
Haul Distance to Nearest Mill: 0%

Stand Density: 0%
Operational Constraints: 0%
Other Price Factor: -65% (I&D Larch Beetle)

Appraiser:

Wesley J. Habedank

(Appraisal ID 11117-0; Cutting Block ID 12971-0)

TRACT B4

COUNTY: ST. LOUIS

AREA: CLOQUET AREA

ACRES: 90.6

Permit Number: B014095
Expiration Date: 05/31/2022

Purchased By:
Address:

UNSOLD

GL04,NESW,NWSE,SESW,SWSE of Section 36 - Township 55, Range 13W.
GL02,GL03 of Section 36 - Township 55, Range 13W.

SPECIES	PRODUCT	VOLUME	UNIT	APPRAISED		BID: _____	
				UNIT PRICE	\$ VALUE	UNIT PRICE	\$ VALUE
+ PINE SPECIES	WOODSRUN MIXED PRODUCTS	715.00	Cd	29.12	20,820.80	29.12	20,820.80
+ WHITE SPRUCE	WOODSRUN MIXED PRODUCTS	145.00	Cd	11.13	1,613.85	11.13	1,613.85
BALSAM FIR	WOODSRUN CORDWOOD	95.00	Cd	7.27	690.65	7.27	690.65
+ BID SPECIES * SOLD ON APPRAISED VOLUME				APPRAISED TOTAL =	\$23,125.30	BID TOTAL = \$	23,125.30
				ADVANCE PAYMENT =	\$3,468.80		

Optional Timber (may be purchased with an Added Timber Agreement):

ANY LISTED SPECIES	BIOMASS	500.00	Tons	0.60	300.00
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Mixed Species Description:

Pine Species Woodsrun Mixed Products includes: Norway Pine 97%; White Pine 3%.

Mixed Product Description:

Pine Species Woodsrun Mixed Products includes: Bolts 34%; Pulpwood 9%; Sawtimber 57%.
White Spruce Woodsrun Mixed Products includes: Bolts 42%; Pulpwood 58%.

Cutting and Felling:

- Multiple cutting block sale, see individual cutting blocks for specifications (Cutting Blocks 1 and 2).

Season of Operations:

- Conduct Sale operations from November 1 through March 31 due to Wood Turtle (Cutting Blocks 1 and 2).

Sale Conditions:

- Access is across county land (Cutting Block 2).
- Provisions of access and /or water crossing permits will become part of sale terms and conditions for this sale (Cutting Block 2).

Marketing Conditions:

Price of White Spruce and Balsam Fir reduced 25% due to Spruce budworm. White Spruce varies from 3 to 6 sticks and 6 to 14 inch dbh. Balsam Fir is 1-4 sticks and 5-9 inch dbh. Pine in the plantation averages 7-8 inch dbh and 4 sticks. The Pine in the natural stands varies from 10-26 inch dbh and 2.5 to 4 logs. First re offer. Price reduced 15% due to re-offer.
James Kelley Phone# 218-723-4791 ext 223

Price Adjustments:

- Road Construction Costs: +5%
- Haul Distance to Nearest Mill: -10%
- Stand Density: -10%
- Operational Constraints: -10%
- Other Price Factor: -15% (Operational wood turtle. Reoffer reduction 15%)

Appraiser:

James G. Kelley

Harvest specifications and additional information about each tract may be obtained upon request from the following
DNR Area Forestry Office:

CLOQUET AREA

The right is reserved to reject any and all bids.

For the Commissioner
MINNESOTA DEPARTMENT OF NATURAL RESOURCES

By: _____
Authorized Signature
Division Of Forestry
Dated: December 13, 2018

- SUMMARY SHEET -

12/13/2018 REGULAR AUCTION - SALE #1

COMPLETED - DATA AS OF 12/13/2018

CLOQUET AREA

SUMMARY FOR SOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	SOLD AVERAGE UNIT PRICE	TOTAL SOLD \$ VALUE
PULP & BOLTS	TREMBLING ASPEN	865.00	Cd	24.00	20,760.00
	PAPER BIRCH	135.00	Cd	13.25	1,788.75
	MAPLE SPECIES	130.00	Cd	14.00	1,820.00
	BASSWOOD	75.00	Cd	10.15	761.25
	BALSAM FIR	90.00	Cd	19.25	1,732.50
BIOMASS	ANY LISTED SPECIES (optional)	795.00	Tons	-	0.00

TOTAL SOLD TRACTS CONVERTED TO CORDS: 1,295.00
TOTAL APPRAISED DOLLAR VALUE OF SOLD TRACTS: \$ 26,862.50
TOTAL BID-UP DOLLAR VALUE OF SOLD TRACTS: \$ 26,862.50
TOTAL ACRES SOLD: 42.9
SOLD TRACT NUMBER: 1
TOTAL NUMBER OF TRACTS SOLD: 1

SUMMARY FOR UNSOLD TRACTS

PRODUCT	SPECIES	TOTAL VOLUME	UNIT	APPRAISED AVERAGE UNIT PRICE	APPRAISED \$ VALUE
PULP & BOLTS	ASH	50.00	Cd	4.90	245.00
	TAMARACK	3,240.00	Cd	2.56	8,294.40
	MIXED SPRUCE	80.00	Cd	12.68	1,014.40
WOODSRUN MIXED PRODUCTS	PINE SPECIES	715.00	Cd	29.12	20,820.80
	WHITE SPRUCE	145.00	Cd	11.13	1,613.85
WOODSRUN CORDWOOD	BALSAM FIR	95.00	Cd	7.27	690.65
PULPWOOD	ASH	100.00	Cd	3.15	315.00
	ASPEN SPECIES	780.00	Cd	11.99	9,352.20
	PAPER BIRCH	50.00	Cd	5.50	275.00
	MAPLE SPECIES	165.00	Cd	6.00	990.00
	BALSAM FIR	135.00	Cd	8.50	1,147.50
	BLACK SPRUCE	35.00	Cd	6.65	232.75
BIOMASS	ANY LISTED SPECIES (optional)	2,420.00	Tons	0.40	972.00

TOTAL UNSOLD TRACTS CONVERTED TO CORDS: 5,590.00
TOTAL APPRAISED DOLLAR VALUE OF UNSOLD TRACTS: \$ 44,991.55
TOTAL ACRES UNSOLD: 345.1
UNSOLD TRACT NUMBERS: 2, 3, 4
TOTAL NUMBER OF TRACTS UNSOLD: 3